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(or cost of conveyance) for this predominant and international service. To this annual total we must add the very considerable amounts received by our shipping-merchants, agents, and banks for the acceptance of foreign bills, in the form of commission, brokerage and charges, which constitute an appreciable and continuously recurring debt owing to this country by foreign lands.

The people of England, further, have invested enormous sums in the purchase of the securities of foreign countries, and the interest upon the capital thus employed is in constant course of payment to the holders here. All these debts are not paid in gold—for this device would prove too cumbrous and costly—but in goods (or imports) whose proceeds discharge this annual aggregate indebtedness in money. Thus the registered imports are necessarily, on these accounts, considerably in excess of the actual and visible exports. But the balance is maintained.

This can readily be shown. In the Board of Trade statistics, the Imports are entered as to value with the addition of the charges for freight and insurance connected with their shipment to our ports; but the Exports are recorded *without* the inclusion of similar costs. Hence the Exports must be increased by the earning of British shipping engaged in the commerce. (*See Note A, p. 181.*) Moreover, some items are omitted in the Returns from both sides of the account; the value of the Exports of ships themselves, for example, which have been largely manufactured by this country and sold to foreigners, were not included in the official statements until 1899. But we leave out these minor points and adopt a broad view. If the actual Exports recorded be represented by $\text{£}x$, and the total Imports by $\text{£}(x + y)$ the National Commercial Balance Sheet would be thus expressed:—

LIABILITIES.

Imports into England	.	$x + y$	£
i. Exports from England			
	ii.	Sums due to England	
	for		
		freight, commission,	
		$\text{£}y$	
		and interest)

Total $x + y$

Total $x + y$